



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Thursday Evening, November 06, 2008

Electricity

AEP Shuts 558 MW Welsh Coal-fired Unit 2 in Texas November 5

The company shut the unit for unscheduled work on auxiliary equipment, according to a filing with state regulators. The work was expected to last two to four days, based on multiple accounts

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=116254>

Reuters, 07:59 November 6, 2008

Update: Exelon's 855 MW Quad Cities Nuke Unit 1 in Illinois Ramped Up to 98 Percent by November 6

The company slowed the unit to perform maintenance on the condenser. The Nuclear Regulatory Commission reported that on the morning of November 5 the unit was operating at 85 percent.

<http://www.reuters.com/article/rbssIndustryMaterialsUtilitiesNews/idUSN0452350420081104>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

Luminant Plans Restart of 593 MW Big Brown Coal-fired Unit 1 in Texas November 5

The company said in a filing with state regulators it would restart the unit "following the conclusion of checkout and any necessary repairs to the main turbine bearings." The restart was scheduled to last eight hours yesterday, November 5.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=116091>

Bloomberg News, 16:04 November 5, 2008

OPG Shuts 490 MW Nanticoke Coal-fired Unit 1 in Ontario by November 6

The company shut the unit to perform work in preparation for colder weather, a spokesman said.

Reuters, 08:19 November 6, 2008

Bloomberg News, 09:53 November 6, 2008

Enmax's 250 MW Calgary Gas-fired Unit in Alberta Shut November 5

Reuters, 8:23 November 6, 2008

Update: PECO Completes 69-kV Transmission Line in Pennsylvania

The line links the company's Square and Tredyffrin substations. It will improve service for more than 10,000 PECO electric customers, the company said in a release.

<http://www.exeloncorp.com/aboutus/news/pressrelease/peco/NR+110308+Newtown.htm>

Explosion, Fire at Trash-to-Energy Incinerator in Maine November 4

Officials said a propane tank or other pressurized object likely passed through a trash shredder, triggering an explosion. One worker sustained minor injuries, but the fire was controlled quickly

<http://www.wmtw.com/news/17891016/detail.html>

http://hosted.ap.org/dynamic/stories/M/ME_INCINERATOR_EXPLOSION_MEOL-?SITE=RIPRJ&SECTION=HOME&TEMPLATE=DEFAULT

Update: NRC Review to Evaluate October Tritium Leak at FirstEnergy's 925 MW Davis-Besse Nuclear Power Plant in Ohio

<http://toledoblade.com/apps/pbcs.dll/article?AID=/20081103/NEWS16/811030327>

BP to Boost its U.S. Wind Power Capacity to 3 Gigawatts in Coming Years

BP expects to have 1 gigawatt of U.S. wind capacity by this year's end, and 3 gigawatts "in the next couple of years," a spokesman said. Included in its plans is the proposed 5,050 MW Titan wind park in South Dakota, a joint venture with Clipper Windpower. The Titan project would be the world's largest such wind facility.

Bloomberg News, 08:17 November 6, 2008

Petroleum

Update: Offshore Oil Output Continues to Climb in Gulf of Mexico after Hurricanes Gustav and Ike, MMS Reports November 5

An estimated 246,103 b/d of oil production remained shut in the Gulf of Mexico October November 5, according to the Minerals Management Service (MMS). That total accounts for about 18.9 percent of the region's output. Based on data from offshore operator reports, submitted as of 11:30 a.m. CST November 5, personnel remained evacuated from a total of 71 production platforms, or 10.2 percent of the 694 manned platforms in the Gulf of Mexico. Offshore oil and gas operators continued to reboard platforms and restore production.

<http://www.mms.gov/oc/press/2008/press1105.htm>

Update: Shell-Operated Production in Gulf of Mexico Returns to 375,000 boe/d

http://www.rigzone.com/news/article.asp?a_id=68962

Fire at Shell's 329,800 b/d Deer Park, Texas Refinery November 5

Emergency personnel responded to the fire yesterday morning, the company said. It was not clear from a news source whether the incident impacted any units, or slowed production at the refinery.

Bloomberg News, 16:46 November 5, 2008

Valero Restarts 55,000 b/d FCC at 160,000 b/d Paulsboro, New Jersey Refinery

Valero shut the 55,000 b/d fluid catalytic cracker (FCC) on October 30 due to a slurry oil leak. The unit is working toward normal rates, a spokesman said.

Bloomberg News, 12:18 November 6, 2008

Update: After Fire, Marathon Says 52,000 b/d Crude Unit to Remain Down for Two Weeks at 76,000 b/d Texas City, Texas Refinery

The unit shut over the weekend due to a small fire at an associated pump. It will remain down for two weeks, a spokesman said November 6.

Reuters, 09:19 November 6, 2008

Alkylation Unit Shut at Alon's 67,000 b/d Big Spring, Texas Refinery

The alkylation unit is shut, and the company will "address the repairs with our 2009 business plan," a spokesman said. He said the shutdown had not slowed production.

Bloomberg News, 14:00 November 6, 2008

Explosion Shuts Iraq-to-Turkey Oil Pipeline November 5

Officials shut the pipeline after a pressure change caused an explosion, sources said. The blast triggered a spill that spread more than one mile. The affected line delivers crude from Kirkuk, Iraq to Ceyhan, Turkey. At the time of the incident, it was delivering about 550,000 b/d. It was not clear from sources when the pipeline might restart.

<http://www.iht.com/articles/ap/2008/11/06/europe/EU-Turkey-Iraq-Pipeline.php>

http://www.downstreamtoday.com/News/Articles/200811/Explosion_Hits_Iraq_Turkey_Oil_Pipeline_13651.aspx

Reuters, 07:15 November 6, 2008

Update: BP Restarts 145,000 b/d Baku-Supsa Oil Pipeline November 5

The Azerbaijan-Georgia pipeline had been down for about three months, having shut for safety reasons during August's Russia-Georgia conflict. Though the pipeline can deliver 145,000 b/d of oil, Azerbaijan's state oil company said it would transport just 90,000 b/d upon restart, and likely remain at that rate until this year's end.

http://www.rigzone.com/news/article.asp?a_id=68902

Update: Motiva Says 300,000 b/d Expansion at Port Arthur, Texas Refinery on Schedule for 2010 Completion

In what it called "a major sign of progress" in the Port Arthur expansion project, Motiva said it received three coker furnace cells. The company expects to double the facility's crude oil throughput capacity to 600,000 b/d by sometime in 2010.

http://www.motivaenterprises.com/home/Framework?siteId=motiva-en&FC2=/motiva-en/html/iwgen/motiva_media_center/press_releases/2008/zzz_lhn.html&FC3=/motiva-en/html/iwgen/motiva_media_center/press_releases/2008/motiva_coker_units_110608.html

DJN, 12:29 November 6, 2008

Update: Sunoco Abandons Plans to Expand 85,000 b/d Tulsa, Oklahoma Refinery

Citing costs, Sunoco canceled plans to upgrade the facility. The company said it was still considering selling the refinery.

Bloomberg News, 18:49 November 5, 2008

Saudi Aramco Says Economic Slowdown Should not Significantly Affect Energy Projects

A slowed global market could actually hold some benefits to Saudi Aramco, a company official said, as project cancellations elsewhere free up a previously-tight construction market. Because it self-finances most upstream projects, Saudi Aramco is not as vulnerable to the tighter credit market, he said. Still, he added: "The need to bring in additional volumes of oil in a contracting market will be examined carefully."

http://www.downstreamtoday.com/News/Articles/200811/Economic_Downturn_Unlikely_To_Affect_Meg_13631.aspx

Update: Canadian Natural Resources Limited Eyes Late 2008 Start-up for Horizon Oil Sands Project in Alberta

The company plans to deliver first oil from the project late in the fourth quarter of 2008. Horizon has an initial capacity of 70,000 b/d, but, pending completion of a distillate hydrotreating plant that is projected to increase to 110,000 b/d in 2009. The company expects to reach full production by late 2009. Separately, citing energy prices and construction costs, the company abandoned two planned expansions.

<http://www.platts.com/Oil/News/8153228.xml?p=Oil/News&sub=Oil>

Bloomberg News, 11:21 November 6, 2008

OPEC Exports, Not Including Angola and Ecuador, to Dip 310,000 b/d in Four Weeks Ending November 22—Oil Movements

OPEC seaborne crude exports, not including Angola and Ecuador, will drop to 24.23 million b/d in the four weeks ending November 22, Oil Movements predicted. If the forecast holds true, exports will have slowed 700,000 b/d from an August peak.

Reuters, 11:32 November 6, 2008

U.S. Proved Oil and Gas Reserves Rise Sharply in 2007

U.S. proved oil reserves jumped by 2 percent in 2007, and natural gas reserves rose 13 percent year-on-year, the U.S. Energy Information Administration said. Those figures marked the largest one-year increases since 1977, when the Energy Department began compiling the data. Proved oil reserves spiked by 2 billion barrels; Alaska accounted for 284 million new barrels, and Texas another 251 million barrels.

<http://money.cnn.com/news/newsfeeds/articles/apwire/4649e17e48d4fd02366214287a10512c.htm>

Natural Gas

Update: Restoration to Offshore Natural Gas Production in Gulf of Mexico Continues Following Hurricanes Gustav and Ike, MMS Reports November 5

An estimated 2,135 MMcf/d of natural gas output remained shut in the Gulf of Mexico November 5, according to the Minerals Management Service (MMS). That total accounts for about 28.9 percent of the Federal offshore gas production in the Gulf. Offshore oil and gas operators continued to reboard platforms and restore production.

<http://www.mms.gov/ooc/press/2008/press1105.htm>

Spectra Energy Completes 40 MMcf/d Expansion to Natural Gas Gathering System in British Columbia, Canada

The project included about 10.6 miles of new pipeline, parallel to existing lines, 40 MMcf/d of natural gas gathering capacity, and modifications to the Pine River Processing Plant.

http://www.spectraenergy.com/news/releases/2008/nov/20081105_01.asp

Enbridge Energy Partners Plans Non-Binding Open Season for New Capacity on its 170-mile, 22-inch, Louisiana-Mississippi Midla Natural Gas Pipeline

The expansion would enable access to pipelines and markets in the Perryville Hub area, the ANR pipeline in Louisiana, the Transco Pipeline in Louisiana, and industrial facilities in the Baton Rouge, Louisiana area. Each connection would service 25,000 MMBtu/d. The project is expected online in the third quarter of 2009. The open season will stretch from December 1, 2008 to February 28, 2009.

http://www.enbridgeus.com/Reports/reportif_partners.aspx?pl=0&rptSite=5&rpt=%2fphoenix.zhtml%3fc%3d63707%26p%3diol-news%26nyo%3d0&tmi=475&tmt=5

Dominion Plans 57 MMcf/d Rural Valley Gas Transmission Project in Pennsylvania

The natural gas pipeline would stretch through four Pennsylvania counties, but would only involve 1.3 miles of new construction. Much of the expansion would employ existing pipeline. The project would involve a new compressor station and other facilities. Dominion plans to open the new service on November 1, 2010, at the latest.

http://www.pittsburghlive.com/x/pittsburghtrib/business/s_597024.html

Bulldozer Accident Shuts 10-inch Pipeline at Arrington Gas Plant in Texas

According to a filing with state regulators, a bulldozer hit and forced shut the Shrieky 10-inch pipeline. The filing said the pipeline would return to service after repairs.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=116320>

Other News

Obama to Support Ethanol Industry, Adviser Says

President-elect Barack Obama "recognizes how important the renewable and biofuels industry is to creating jobs and meeting our goal of reducing dependence on foreign oil," the campaign's senior energy adviser said in a November 3 interview. Obama said earlier that corn-based ethanol is "our best strategy," expressing hope that it would lead to commercially viable cellulosic ethanol. His adviser described corn-based ethanol "as an important bridge fuel," that would be "the beginning of hopefully a greater investment and greater commitment to advanced biofuels."

Bloomberg News, 20:00 November 5, 2008

Voters Defeat Clean-Energy Initiatives in California

California voters rejected Proposition 7, which would have required the state's utilities to receive 50 percent of their power from renewable sources by 2025. Voters also rebuffed Proposition 10, which would have created incentives to purchase cars or trucks fueled by natural gas or alternative fuels.

<http://greeninc.blogs.nytimes.com/2008/11/05/california-renewable-energy-initiatives-tank/>

Energy Prices

U.S. Oil and Gas Prices			
November 6, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	61.07	64.48	96.80
\$/Barrel			
NATURAL GAS			
Henry Hub	7.04	6.58	6.71
\$/Million Btu			

Source: Reuters

Energy Notes

Update: State Regulators Issue Environmental Permit for AEP's Planned 600 MW John W. Turk Jr. Coal-fired Power Plant in Arkansas

<http://www.reuters.com/article/environmentNews/idUSTRE4A50AC20081106>

Update: Duke Energy Begins Commercial Operations at 59 MW Ocotillo Wind Farm in Texas November 1

<http://www.duke-energy.com/news/releases/2008110601.asp>

Dominion Transmission Files with FERC to Postpone Proposed Natural Gas Compressor Station in Maryland

<http://www.tradingmarkets.com/.site/news/Stock%20News/1998574/>

Idaho County Passes Ordinance, Bans Persons from Moving Too Close to Power Facilities along Snake River

<http://www.kmvt.com/news/local/33791839.html>

Update: Holly Moves Expansion Date from December to mid-January at 85,000 Artesia, New Mexico Refinery—Company to Boost Capacity by 15,000 b/d

Reuters, 12:50 November 5, 2008

Russian Crude Output to Drop between 60,000 b/d and 150,000 b/d in 2009 -- Wood Mackenzie Forecasts

Bloomberg News, 12:09 November 6, 2008

Global Crude Demand Growth to Drop by up to 1 Million b/d through 2010 on Economic Conditions, Refining Overcapacity—Vitol Forecaster

Bloomberg News, 06:39 November 6, 2008

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

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<http://www.oe.netl.doe.gov/ead.aspx>

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